

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Information Technology	(2) MEETING DATE 7/7/2015	(3) CONTACT/PHONE Daniel Milei 781-5072	
(4) SUBJECT Request to approve a contract (Clerk's File) with Sherpa Government Solutions LLC, in the amount of \$834,989, to provide budgeting software and migration services to replace Budget Prep and request to approve a budget transfer from the designated fund balance for Budget System Development in the Countywide Automation Fund to the Budget Prep Replacement project in the Countywide Automation Fund - FC 266 in the amount of \$770,274 and amend the Fixed Asset List in the Countywide Automation Fund – FC 266 in the amount of \$750,000 to include the purchase for the project. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the following by four-fifths vote: <ol style="list-style-type: none"> 1. Approve a contract with Sherpa Government Solutions LLC, for budgeting software, consulting and migration services in the amount of \$834,989. 2. Approve a budget adjustment in the amount of \$770,274 to transfer the designated fund balance for Budget System Development in the Countywide Automation Fund to the Budget Prep Replacement project in the Countywide Automation Fund – FC 266. 3. Amend the Fixed Asset List in the Countywide Automation Fund – FC 266 to include the Budget Prep Replacement purchase in the amount of \$750,000. 			
(6) FUNDING SOURCE(S) Countywide Automation Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$834,989.00	(8) ANNUAL FINANCIAL IMPACT \$73,705.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001557		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1516001 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? N/A	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Information Technology / Daniel Milei
781-5072

DATE: 7/7/2015

SUBJECT: Request to approve a contract (Clerk's File) with Sherpa Government Solutions LLC, in the amount of \$834,989, to provide budgeting software and migration services to replace Budget Prep and request to approve a budget transfer from the designated fund balance for Budget System Development in the Countywide Automation Fund to the Budget Prep Replacement project in the Countywide Automation Fund - FC 266 in the amount of \$770,274 and amend the Fixed Asset List in the Countywide Automation Fund – FC 266 in the amount of \$750,000 to include the purchase for the project. All Districts.

RECOMMENDATION

It is recommended that the Board approve the following by four-fifths vote:

1. Approve a contract with Sherpa Government Solutions LLC, for budgeting software, consulting and migration services in the amount of \$834,989.
2. Approve a budget adjustment in the amount of \$770,274 to transfer the designated fund balance for Budget System Development in the Countywide Automation Fund to the Budget Prep Replacement project in the Countywide Automation Fund – FC 266.
3. Amend the Fixed Asset List in the Countywide Automation Fund – FC 266 to include the Budget Prep Replacement purchase in the amount of \$750,000.

DISCUSSION

The development of the annual budget for the County of San Luis Obispo relies heavily on the antiquated software product internally referred to as the Budget Preparation (BP) system. The BP system, originally developed in FY 1993-94, is now over twenty years old and obsolete. The software environment is no longer supported by the vendor. However, due to lack of other options, the BP system has required hours of staff time on a nearly annual basis in order for it to interface with more modern software.

More recently, Microsoft has released its Windows 7 and Windows 8 desktop operating systems. The BP system continues to run; however, its use is significantly impacted given incompatibilities between the MicroFocus Cobol software environment and these latest Windows operating systems.

This is a multi-year project to replace the existing Budget Preparation (BP) system, which is past the end of its useful and supportable life. The need to replace the BP system was originally identified in the 2002 Information Technology Strategic Plan. Subsequent strategic plans have emphasized the growing criticality and need to replace this system. In 2005, an in-depth study of the BP system was performed. The study recommended the BP system be replaced "within the next three years." FY 2015-16 is seven years beyond what the detailed study recommended.

A new budget preparation system will: provide departments with a user-friendly, functionally rich and modern software product; increase the reliability of availability of the budgeting system; save time and money by reducing the number of hours spent cobbling together solutions and systems in support of the existing BP system; provide robust reporting to

support budget analysis; and improve the integration between the budgeting system and other existing systems, such as SAP, the County's existing Enterprise Financial System.

On January 30, 2015, Information Technology competitively bid Request for Proposals (RFP) through the County's e-procurement website, Public Purchase. Five responses were received. A selection committee reviewed the proposals and interviewed the firms in April 2015.

Sherpa Government Solutions LLC received the highest scores from the selection committee based on completeness of submittal, understanding and approach to the project, professional qualifications, experience with similar projects, response to interview questions and local vendor preference. Notifications were made to non-selected companies and no protests were received.

Funding in the amount of \$770,274 has been set aside for this project for several years. The FY 2014-15 budget included \$106,538 in expense for a Limited Term Administrative Analyst as backfill support to offload work being performed by existing staff who are participating in the BP replacement project. As part of the FY 2015-16 approved budget for the Countywide Automation Fund – FC 266, an additional \$1,115,000 was requested to augment the funds needed to purchase new software and obtain consulting services for implementation. The targeted go-live date for the new budgeting system is October 2016. Should additional funds be required, they will be identified as part of future budget actions.

OTHER AGENCY INVOLVEMENT/IMPACT

This request has been prepared in concurrence with the Auditor-Controller-Treasurer-Tax Collector, the County Administrative Office, and Budget Prep Steering Committee, which has representatives from several departments including, Public Works, Health Agency, Probation, Human Resources, County Administrative Office, Auditor-Controller-Treasurer-Tax Collector and Information Technology. County Counsel has reviewed the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

Two separate appropriations have been made to the Countywide Automation Replacement Fund – FC 266 as part of annual budget processes. In FY 2014-15, \$106,538 was appropriated for a 1.0 FTE backfill position in the Administrative Office. In FY 2015-16, \$1,115,000 was appropriated for vendor contract costs, an IT Project Manager and 2.0 FTE backfill positions, one for the Auditor-Controller-Treasurer-Tax Collector and a second year for the Administrative Office. As noted above, this project has been anticipated for a number of years. As part of the planning efforts, \$770,274 has been set aside in a designation for the Budget Prep Replacement purchase. A budget adjustment will be needed to move the \$770,274 in Countywide Automation reserves to augment the project within FC 266 and to amend the fixed asset list for FC 266 in the amount of \$750,000 to include the Budget Prep Replacement purchase.

For this project, the contingency is budgeted at 15% of the total project budget in recognition of the project size and to allow for the purchase of additional software licenses that may be needed once the project is implemented.

Total appropriations for the project are as follows:

FY 2014-15	\$ 106,538
FY 2015-16	\$1,115,000
Countywide Automation Reserves – Budget System Development	\$ 770,274
TOTAL	\$1,991,812

Total budgeted expenses for the project are as follows:

System	\$ 918,324
Backfill staff	\$ 542,625
IT Project Manager	\$ 230,000
Contingencies	\$ 300,863
TOTAL	\$1,991,812

RESULTS

A new Budget Preparation (BP) system will:

1. Replace an obsolete, unsupportable system.
2. Provide departments with a supportable, user-friendly, functionally rich, and modern software product;
3. Increase the reliability and availability of the BP system;
4. Save time by reducing efforts required to manually produce budget documents; and
5. Increase the integration between the new BP system and other, existing systems such as SAP.

This meets the County's Community-wide results for a Well-Governed Community: "The County will provide high quality "results oriented" services that are responsive to community desires."

ATTACHMENTS

1. Clerk's Filed - Sherpa contract